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TO RUEHC/SECSTATE WASHDC PRIORITY 1128  
INFO RUCNCIS/CIS COLLECTIVE  
RUEHBUL/AMEMBASSY KABUL PRIORITY 0381  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0135  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC  
RUEAIIA/CIA WASHDC  
RHMFISS/DEPT OF ENERGY WASHINGTON DC  
RUEHDBU/AMEMBASSY DUSHANBE 2462

UNCLAS SECTION 01 OF 04 DUSHANBE 000052

SENSITIVE  
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E.O. 12958: N/A  
TAGS: [EFIN](#) [PHUM](#) [ENRG](#) [EINV](#) [TI](#)  
SUBJECT: DAM IF YOU DO, DAMNED IF YOU DON'T: ROGHUN PRESSURE MOUNTS

REF: DUSHANBE 1443

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1. (SBU) SUMMARY: On January 6, the Tajik government inaugurated nationwide sales of shares in the Roghun hydroelectric dam project, using extortion and intimidation to pressure individuals and organizations to buy stock. As part of an unprecedented multi-media campaign, all four state television stations and nearly all Tajik print media reported mass purchases of Roghun stock as voluntary acts of patriotism. In fact, however, the government has issued fundraising targets to public and private employers; to meet these quotas, employers ordered their staff to make purchases that often far exceed their monthly salaries or risk being fired. The government has leaned hardest on state employees, including doctors and teachers, further corrupting the education system as professors sell grades to students in exchange for Roghun stock purchases. But no one is exempt: businesses, farmers, pensioners, hospitals, and even orphanages are being shaken down. International donors are concerned not only that the Roghun campaign violates ethical rules, but that it endangers Tajikistan's macroeconomic stability. So far, most people appear to be toeing the line, in part because they agree that it is important to build Roghun. But in private many Tajiks are furious that Tajikistan's billionaire president is wringing every last penny out of his dirt-poor citizens. END SUMMARY

IT'S NOT A WONDERFUL LIFE...

2. (SBU) On January 6, shares in the Roghun hydroelectric dam went on sale across Tajikistan at special "Amonotbonk" counters. In a bizarre reversal of the bank run scene from "It's a Wonderful Life," national television larded the airwaves with footage of Tajik citizens clambering over each other to give their money TO the bank. Happy stock owners recited poems about Roghun to the cameras as they proudly grasped their stock certificates. State media followed up with music video paeans to the dam, heroic images of Roghun builders, and aerial footage of a column of trucks en route to the construction site as if off to war. Images were straight out of Soviet central casting, including footage of President Rahmon in deep conversation with Roghun craftsmen, apparently discussing details about the masonry. One could almost hear him exhorting, "Comrades, this grout must be thicker!" The media reported many firsts: the first shares bought in Khatlon Province (by the regional chairman), the first purchase made in Dushanbe (by the Mayor), and the first child named after Roghun -- Roghunshoh Bobokhonov, born January 6 in the village of Gulkhona in Sughd Province; the first girl born in Yovon District was named Sahmiya, or "Share," i.e., of stock.

13. (SBU) Government sources triumphantly announced that, in Dushanbe alone, citizens bought \$92 million in Roghun shares on the first day of sale. In the second-largest city, Khujand, the government announced that \$4.7 million in shares were sold. If the government's figures are correct, on average every man, woman, and child in Dushanbe contributed more than \$100 on the first day of sales alone. Comment: While the government was able to wring a significant amount of money from the population on January 6, it is unfathomable that Dushanbe residents ponied up \$92 million out of thin air. In all likelihood the government leaned on Tajikistan's few truly wealthy individuals to repatriate some of their offshore funds. The government itself may have engaged in some creative bank transfers to pad the Roghun pot. End comment.

SHAKEDOWN: STUDENTS BUY GRADES, PROFESSORS BUY JOB SECURITY

14. (SBU) To impel further Roghun stock sales, officials put the screws to those most reliant on state institutions (and thus most vulnerable to state pressure): government employees, teachers, doctors, and students. The media spun contributions from these institutions as acts of patriotism. Asia-Plus reported that staff at the Tajik State University of Commerce bought 200,000 somoni in shares on January 6. In interviews the new stockholders dutifully hit on the government's key talking points: they are not only contributing to Roghun, they are proud owners of valuable shares. Tajik National University (TNU) is encouraging its staff to contribute directly through the university rather than buying shares individually so that TNU receives credit for the totals.

15. (SBU) These sales are nowhere near voluntary, according to numerous sources. A contact at TNU said university management "kindly asked" every professor to buy at least 500 somoni in shares. Staff had already "volunteered" to surrender a day's salary, which netted a 20,000 somoni contribution in December. Another contact told us that after donating 500 somoni in

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December, his dean asked him to contribute another 500 somoni in January. When he said he did not have the money, the dean said it was no problem; the university could simply deduct it from the professor's next paycheck. The rector of the university, Mumindzhon Sharifov, announced his own 10,000 somoni purchase of Roghun shares to set a positive example for his staff. Management of Tajikistan's State Medical University directed employees to make even higher contributions -- 2,000 somoni for professors and 3,000 for heads of department. Many teachers were told that a refusal to volunteer would result in their firing.

16. (SBU) Throughout the country, the fundraising scheme followed a top-down approach. The government allegedly set targets for major institutions, such as ministries, universities, and large companies. University rectors set targets for deans, who set targets for teachers, who set targets for students. A Tajik working for a foreign assistance mission here said the whole exercise felt like it came out of the Soviet playbook, where institutions competed with one another to pick the most cotton, or, in this case, to buy the most Roghun shares. At the bottom were the students, forced to "volunteer" to buy at least 100 somoni each in shares. Professors warned students at TNU and Russian Tajik Slavonic University that if they failed to present a share certificate bearing their full name, they would not be allowed to take their course exams. Students from other Universities, including Dushanbe Medical University, shared similar accounts. As an added incentive, students could present their stock certificate for better grades. A certificate for 300 somoni in shares reportedly buys a "3" (a passing grade roughly equivalent to a "C" in the American system), while 400 somoni yields a "4," or "B." A student told us her professor told her not even to bother showing up at the exam; her 500 somoni contribution had already won her a "5."

PRESSURE SUBTLE AND NOT SO SUBTLE

17. (SBU) While many Tajiks report they have been openly told they will be fired if they do not contribute, for some the pressure has been more subtle. A student who was warned he would not be allowed to take his exams without contributing 100 somoni showed up for his tests without paying. His professor allowed him to sit for the exam, but the dean dropped by to remind him that the head of the university had ordered all students to purchase shares. When the student directly asked if the purchase was compulsory, the dean said "no." The student nevertheless expected to hear frequent and unsubtle reminders that he is required to buy shares. A professor said she refused to browbeat her students into paying, but she anticipated difficulties with her administration. Another professor at TNU told us he was more comfortable giving money to Roghun after the rector signed a memorandum from the university's academic senate agreeing to buy back shares if employees needed money for a wedding, an operation, or other urgent expense. For every such story, however, there is another one in which people were unequivocally forced to pay.

#### DOCTORS AND NURSES ASKED TO TURN AND COUGH UP

18. (SBU) Officials continue to pressure medical professionals from across the country, already dismally paid, into contributing to Roghun. In December, the Dushanbe City Medical Center deducted three days' salary from its staff without their consent. In January, officials told doctors at the same institution they must contribute 1,000-1,500 somoni per person to Roghun within the next year. The first installment of 500 somoni was due immediately. Several days later, hospital management doubled that amount. The mother of an embassy staff member, a doctor who earns 220 somoni per month, said unless she shows her boss a stock certificate in her name for 1,000 somoni, she has been told she will be fired. The orders apparently come directly from the Ministry of Health. Her sister, an administrator at the hospital, has been ordered to buy 5,000 somoni in shares. Doctors in Khujand were told they needed to purchase 5,000 somoni in shares, and nurses were asked to contribute 100 somoni.

19. (SBU) On January 8, the Ministry of Health requested that Tajiks working for NGOs and international partners, including USAID and UNDP, attend a meeting about Roghun. At the meeting, officials said the government assigned the Ministry an overall fundraising target; while it had raised a percentage of this total from its own workers, it needed funds from medical contacts outside the Ministry to achieve its goal. Officials did not order anyone to contribute to the cause, but urged attendees to help fund the dam in the Ministry's name.

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According to numerous reports from contacts working with government agencies, this general pattern has been the same across ministries: unable to reach their assigned targets by pressuring their own staff, they are widening their net to include individuals who work with the ministry. The dragnet has included staff at foreign embassies, including that of the United States, who work with colleagues at various ministries. Our American Corner coordinators have also been repeatedly hit up by their host institutions and government officials who just happen to come by the Corner to check out books.

#### TAJIK DIPLOMATS AND STATE ENTERPRISES ASKED TO GIVE IT UP

110. (U) Tajiks outside of Tajikistan are not exempt. Ministry of Foreign Affairs employees, including foreign diplomats abroad, reportedly bought shares worth 589,110 somoni on the first day of sales. These purchases came on top of earlier donations made directly to Roghun's bank accounts (reftel). The Tajik Embassy in Beijing spent 47,000 somoni, with the Ambassador proudly declaring, "The acquisition of Roghun shares and contribution to the acceleration of its construction is the duty of every patriotic citizen of our country, no matter where he lives at the present time."

111. (U) State-owned enterprises have leapt over themselves to

report contributions to Roghun. The fact that many of these companies have only recently been complaining about a shortage of cash has raised some eyebrows. The Talco aluminum plant, Tajikistan's largest exporter and the alleged source of much of the President's personal wealth, says it does not have the money to repay debts to state electricity provider Barqi Tojik totaling \$30 million. As a result, Barqi Tojik has fallen behind on its payments to the Sangtuda-1 hydropower station, which has cut production, leaving Tajik homes that much darker. Yet Talco was apparently solvent enough to purchase \$5 million in Roghun shares last week and commit to increasing the total to \$25 million. Talco employees have so far bought shares worth an additional \$4 million.

#### PRIVATE SECTOR ALSO PRESSURED

¶12. (SBU) Private firms and their employees scrambled to demonstrate their loyalty to the cause. Many had already made "pre-emptive" contributions to Roghun before shares went on sale. An Embassy employee recounted how his son, who runs a small private company, contributed 500 somoni directly to the state bank account, while his employees sent 300 somoni each. The son and his employees were worried that if they did not make these contributions the company would run into difficulties with state officials. Banks across the country have made particularly large and public contributions. Chairman of the Tojiksodirot Bank's Supervisory Board, Todzhiddin Pirov, bought shares worth 260,000 somoni out of his personal budget. He said the bank's employees would buy shares worth an additional \$1 million, and the bank itself would purchase \$5 million in funds. Employees at Agroinvestbank reportedly bought shares worth over 2.5 million somoni on January 6. The bank itself is said to be preparing a separate contribution. Other banks were making similar plans. At markets administrators reportedly are collecting set amounts from all suppliers and stallholders.

#### MEDIA MOSTLY JOINS IN THE BUY ROGHUN REFRAIN

¶13. (SBU) State and independent media have echoed the government's calls to buy Roghun shares, editorializing the need to make stock purchases and lionizing individuals who made notable contributions. Only one publication, the on-line avesta.tj, criticized the compulsory sales in an article entitled "There almost wasn't any rape," which disputed the notion that students, teachers, and doctors purchased stocks voluntarily. The compulsory purchases, it said, violated the President's intentions. The article did not, however, criticize the Roghun drive itself. The same website announced it would raise money for the Roghun project through its advertising space. Other journalists have privately expressed concerns about the Roghun campaign and post will monitor future coverage to report any emerging criticism.

#### INTERNATIONAL REPERCUSSIONS

¶14. (SBU) International donors are expressing concern that the Roghun campaign may violate the terms of some of their assistance. In the wake of the global financial crisis, donors have required the government to meet certain minimum expenditures in the social sector. They expressed concern that the Roghun "contributions" taken from teachers, doctors, and

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other state employees effectively decrease the state's allocation to these sectors -- the government is essentially giving to the social sector with one hand while taking with the other. There are concerns as well about the macroeconomic implications of removing such a large amount of cash from the population, in particular increasing their vulnerability to future shocks, including a further drop in remittances from Russia.

¶15. (SBU) COMMENT: There is undeniable public support for Roghun, especially since Uzbekistan cut energy exports to Tajikistan, and many Tajiks believe the government's promise that building the dam will herald a new age of energy security

and prosperity. But the government risks killing this goodwill with its intimidation and extortion of already impoverished Tajiks. The Roghun campaign demonstrates yet again that Rahmon rules Tajikistan as he did the collective farm in Kulob where he got his start, driving his employees to meet ever higher targets while pocketing many of the proceeds. The campaign underlines the miserable state of the country's education and medical systems: doctors and teachers may be deployed to pick cotton or directed to extract money from their students, depending on the government's needs of the day.

¶16. (SBU) COMMENT CONTINUED: Though many Tajiks are coughing up their last somoni with a sigh and shrug, some are seething with anger at the government shakedown. Even supporters of the campaign wonder whose pockets the money will ultimately line. The bank in which the proceeds are deposited is controlled by presidential brother-in-law Hassan Asadullozoda, and the government has not announced any measures for overseeing how the funds are used. Rahmon, whom everyone knows to be a multi-billionaire through his stake in state-owned enterprises such as Talco, has not publicly announced any contribution. Making such an announcement might actually be hazardous for him: it would be an admission that he is far richer than he should be. Similarly, the Mayor of Dushanbe has trumpeted his share purchase but refused to say how much he bought. For now, no political leaders have challenged the government on the Roghun campaign, and if recent history is any guide -- for instance the response to the brutal winter of 2007-08 never coalesced into political grievances -- none are likely to do so. But as the government continues to turn Tajiks upside down and shake them for loose change, the question remains: How much can Tajiks take? END COMMENT.  
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